

[By Deanna LeBlanc](#)

The average college tuition jumped 8.5 percent this year and now the cost to repay student loans is also set to increase.

Paying for college has never been easy but now interest rates on student loans could make it even tougher. "All of it together is just sort of imposing. Like I don't know if I'll be able to continue going to school here -- I really don't. And that is terrible," said Michael McGurk, a University of Vermont freshman.

Four years ago Congress passed a bill which steadily lowered the interest rate of Stafford subsidized student loans from 6 percent to 3.4 percent.

But now that act is set to expire and unless Congress does something about it, interest rates for Stafford subsidized loans borrowed after July 1st of this year will jump to 6.8 percent.

"My goal is to find a way to go down there and try to be a voice of reason and find a way to get this done," said Rep. Peter Welch (D-Vt), who is co-sponsoring a bill that would freeze the interest rates permanently at 3.4 percent. But the clock is ticking -- the current rates expires June 30th. "This is a solvable problem and Congress owes it to these families, to these students, to get it done," he said.

If you borrowed the maximum you can for a Stafford subsidized loan, that would be 23-thousand dollars. And with this new interest rate you'd be looking at an extra 5-thousand dollars out-of-pocket. Many students told Channel 3 that's a daunting number when the cost of college tuition is already on the rise and many are having a hard time finding a job upon graduation.

"It makes it more nerve-wracking because everybody is already nervous about finding a job after you graduate. So it'd be that much longer before you could pay your loans back which is

obviously already something that everyone is worried about already," said Liz Ruggieri, a UVM sophomore.

Marie Johnson, Director of Financial Services at UVM, says that many families, when choosing a school, don't put enough focus on the cost of college their kids will incur after graduation. "They're making the decision of where to go to school and figure out how to pay for it later," she said.

She says instead, students should look at the potential income of their career choice and determine how much of their monthly income will and can go to loan repayments before committing to a college. "The reality is, the conversations that we're having are not, how are they going to repay their loans. We'd like to have more of those conversations -- I think it's a really important part when people are deciding between colleges, making the right financial fit as well as the academic fit," she said.

For the nearly 8 million Americans receiving the Stafford subsidized student loan it can be both a benefit and a burden.